

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION**

PAICE LLC,

Plaintiff,

v.

TOYOTA MOTOR CORPORATION, a
Japanese Corporation, TOYOTA MOTOR
NORTH AMERICA, INC., and TOYOTA
MOTOR SALES, U.S.A., INC.,

Defendants.

Case No.: 2-04CV-211 (DF)

**JOINT SUBMISSION REGARDING CALCULATION OF PREJUDGMENT INTEREST
AND PROPOSED STIPULATED ORDER FOR STAY OF JUDGMENT AND WAIVER
OF SUPERSEDEAS BOND**

Pursuant to the Court's Order in the August 16, 2006 Final Judgment, Plaintiff Paice LLC ("Paice") and Defendants Toyota Motor Corporation, Toyota Motor North America, Inc., and Toyota Motor Sales U.S.A., Inc. (collectively "Toyota") hereby make this joint submission regarding the calculation of pre-judgment interest to be recovered from Defendants. The parties have met and conferred, and agree as follows:

1. Prejudgment interest on the \$4,269,950 past damages amount awarded by the jury, up through the August 16, 2006 Final Judgment, amounts to and should be \$393,438.¹
2. Prejudgment interest also will be included on royalties for sales that occurred between December 1, 2005 and entry of Final Judgment on August 16, 2006, using the same methodology used to compute prejudgment interest due on the jury's damages verdict.

¹ A chart indicating how the parties arrived at this amount is appended hereto for the Court's convenience.

3. Postjudgment interest will accrue on the jury's damages verdict and royalties on sales from December 1, 2005 through August 16, 2006, together with accumulated prejudgment interest thereon, as well as on all royalties accruing after August 17, 2006. If payment is not made within 14 days of the due date, interest shall accrue on such late payment at an annual rate 10% compounded monthly for each day following the expiration of the 14-day grace period until such time as the payment is made, as set forth in the Court's Final Judgment.

4. During the appeal, Toyota will provide quarterly royalty statements following the structure set forth by the Court in its Final Judgment. In accordance with the Court's Final Judgment, on November 16, 2006, Toyota will provide a royalty statement relating to all covered sales from December 2005 through September 2006. In accordance with the Court's schedule for royalty payments thereafter, on February 16, 2006, Toyota will provide a royalty statement relating to all covered sales from October 2006 through December 2006. Thereafter, Toyota will provide quarterly royalty statements on the 16th day of the month following the month after the close of the calendar quarter for all covered sales during such quarter.

5. By October 16, 2006, Toyota will obtain an irrevocable letter of credit in the amount of \$15 million with Paice named as a beneficiary. If it becomes apparent that such amount is insufficient to cover amounts accrued during the appeal period in light of royalty statements provided by Toyota during the appeal, Toyota will augment its letter of credit to a level sufficient to cover any shortfall.

6. In return for the foregoing, Paice agrees to a stay of the judgment pending appeal, including the payment of any damages and the payment of any royalties accruing during such appeal, without requiring Toyota to post a bond.

Dated: August 30, 2006

By: /s/ Nicholas H. Patton (w/permission SB)

Nicholas H. Patton (Bar No. 01938000)
PATTON, TIDWELL & SCHROEDER,
L.L.P.
4605 Texas Blvd. – P.O. Box 5398
Texarkana, TX 75503
(903) 792-7080 (phone)
(903) 792-8233 (facsimile)

George E. Badenoch
John Flock
KENYON & KENYON
One Broadway
New York, NY 10004-1050
(212) 425-7200 (phone)
(212) 425-5388 (facsimile)

Attorneys for Defendants
Toyota Motor Corporation, Toyota Motor
North America, Inc., and Toyota Motor
Sales, U.S.A., Inc.

By: /s/ Sam Baxter

Samuel F. Baxter (Bar No. 01938000)
McKOOL SMITH P.C.
505 Travis Street, Suite 105
Marshall, TX 75670
(903) 927-2111 (phone)
(903) 927-2622 (facsimile)

Ruffin B. Cordell (Bar No. 04820550)
Ahmed J. Davis
FISH & RICHARDSON P.C.
1425 K Street, N.W., 11th Floor
Washington, DC 20005
(202) 783-5070 (phone)
(202) 783-2331 (facsimile)

Robert E. Hillman
FISH & RICHARDSON P.C.
225 Franklin Street
Boston, MA 02110
(617) 542-5070 (phone)
(617) 542-8906 (facsimile)

Attorneys for Plaintiff
PAICE LLC

So ORDERED.



Judge Folsom
District Court Judge

Date: 9/5/06

CERTIFICATE OF SERVICE

I certify that on August 30, 2006 a true and correct copy of the foregoing was served upon counsel listed below via ECF.

/s/ Sam Baxter